Overcharging by Pharma Companies

†4015. SHRI RAM JETHMALANI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that certain major pharmaceutical companies in the country have realized an extra amount of Rs. 1055 crores from the general consumers by selling medicines on higher prices than the fixed prices;

(b) if so, the facts thereof and the names of these companies and the names of the medicines sold by these companies on higher prices; and

(c) the legal action taken by Government till now against these companies?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (c) National Pharmaceutical Pricing Authority (NPPA) regularly takes action against Pharma Companies who do not implement the prices fixed/notified by NPPA under the provisions of Drugs (Prices Control) Order, 1995 (DPCO '95) and this is a continuous and ongoing process. Since, inception in Aug. 1997, NPPA has raised a total demand of Rs. 1409.81 crores for recovery towards overcharged amount in 415 cases, under the provisions of DPCO 1995 read with Essential Commodities Act, 1955. NPPA has recovered Rs. 100.10 crores (upto 30-04-2007) from the defaulting companies. NPPA continues to take appropriate action regularly for recovery of the overcharged amount.

Since inception of NPPA (August, 1997) till date, NPPA is handling 70 court cases filed by Pharma Companies against NPPA/Union of India in various parts of the country with respect to recovery of overcharged amount. An estimated overcharged amount of Rs. 1318.64 crores is being contested by the said pharma units against which NPPA has recovered Rs. 81.14 crores (upto 30-04-2007). In some cases the recovery is affected due to orders from the Hon'ble High Court and Hon'ble Supreme Court of India and cases presently are sub judice in courts.

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†Original notice of the question was received in Hindi.